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RUEHLP/AMEMBASSY LA PAZ JUL 9959
RUEHPE/AMEMBASSY LIMA PRIORITY 0789
RUEHGL/AMCONSUL GUAYAQUIL PRIORITY 0862
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C O N F I D E N T I A L QUITO 001773

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TREASURY FOR SGOOCH
DEPT PASS TO USTR

E.O. 12958: DECL: 07/19/2016
TAGS: [ECON](#) [ETRD](#) [PGOV](#) [PREL](#)
SUBJECT: MINISTER OF TRADE REPLACEMENT NOT YET NAMED

REF: QUITO 1669

Classified By: EconOff Sara Ainsworth, for reasons 1.4 (b&d)

11. (C) Summary. President Palacio accepted Minister of Trade Roberto Illingworth's resignation on July 13, after only a week in office for the latter. Illingworth had been facing pressure from the Guayaquil Chamber of Commerce since being named on July 7 (reftel). Teodoro Maldonado, Executive Vice-President of the Guayaquil Chamber of Commerce, told the Consulate Poloff in Guayaquil he is being considered for the position as well as Cuenca Chamber of Industry President Xavier Abad Vicuna. End Summary.

Illingworth's Days Numbered

12. (U) After less than a week in office, Minister of Trade Roberto Illingworth resigned on July 13, making him the shortest-lived minister in Palacio's revolving door cabinet. Illingworth had been facing pressure from the Guayaquil Chamber of Commerce (GCC) since being named on July 7 (reftel). Most of Illingworth's week in office was spent away from his desk. Immediately after taking office, he flew to Geneva for ongoing World Trade Organization talks to determine a new reference price for Ecuadorian bananas and shrimp. He was in Quito again July 12 and tendered his resignation the following day.

Legal Dispute Led To Ouster

13. (U) Illingworth was an inappropriate government interlocutor for Ecuador's business community. He earlier had filed a lawsuit against the GCC due to his dismissal by former GCC President Eduardo Maruri after working for the organization for 22 years. The lawsuit prevented him from becoming Deputy Minister under his predecessor Joaquin Zevallos and caused him to fall out of favor with the GCC. In addition to the GCC, the Guayaquil Chamber of Industry opposed Illingworth's appointment from the beginning.

14. (U) The two Guayaquil chambers publicly described Illingworth's resignation as a clear signal that the government wanted to resume dialogue with the business community.

One Of Many, Surely Not The Last

15. (U) This personnel change marks the latest for a government that has seen more than 300 officials serve during Palacio's 15 months in office. Gallup International's Centro de Estudios y Datos (CEDATOS) published a study on July 12 which indicates economic positions have been the most unstable, with 7 high-level changes at Petroecuador, 5 at the Ministry of Economy and 4 at the Ministry of Trade. The Ministers of Agriculture, Environment and Tourism are the only three who remain from last April.

Palacio Considering Two Replacements

16. (C) Teodoro Maldonado, Executive Vice-President of the Guayaquil Chamber of Commerce, told the Consulate Poloff in Guayaquil on July 18 that Leon Febres Cordero's Social Christian Party (PSC) is pressuring Palacio to make him Ecuador's new Minister of Trade. Maldonado's family has close ties to Palacio, and his father, Teodoro Maldonado Sr., was recently named Ecuadorian Ambassador to Great Britain. Maldonado told us that Palacio, however, is unhappy with his public criticism of the GOE's Oxy decision and is therefore reluctant to appoint him. If selected, Maldonado said that he would work with Palacio to outline objectives for the remainder of his term, and try to resolve pending investment disputes. While he considers the Oxy case too politically difficult to address, he said that resolving smaller cases might ease relations with the U.S. and pave the way for renewed FTA negotiations under the next government.

17. (U) Unlike his short-lived predecessor, Maldonado has close ties to Ecuador's business community and to the U.S. Since 2004, Maldonado has been the Executive Vice-President of the Guayaquil Chamber of Commerce. He previously spent six years in Washington, DC at the Ecuadorian Embassy as an Economics Officer and then worked for Fleishman-Hillard Government Relations, a private consulting firm in DC. At the Ecuadorian Embassy, he lobbied for ATPDEA, the Andean Regional Initiative, and increased funding available to Ecuador via Plan Colombia. From 1987 to 1997, he held various legal positions within the Ministries of Trade and Agriculture, ABN AMRO Bank, Estudio Juridico Noboa, and the Banco de Credito.

17. (U) Born September 26, 1960 in Guayaquil, Maldonado has a Masters in International Public Policy from Johns Hopkins University School of Advanced International Studies (2001), a JD from the London School of Economics (1995), and an undergraduate degree in Law from Catholic University of Guayaquil (1977). He speaks fluent English and some French.

18. (C) Maldonado told us Palacio is also considering Xavier Abad Vicuna, the Executive President of the Cuenca Chamber of Industry, where has been since 2005. Rumored in the press as Illingworth's replacement, Abad was Deputy Minister of Trade for Industry under former President Gutierrez' government. He served in various local government positions in Cuenca from 1995-2002, and conducted legal studies for Estudio Juridico Argudo y Asociados from 1991-1995. Abad received both a JD and bachelors in Political Science from the University of Cuenca (1985-1991).

Comment

19. (SBU) The Consulate in Guayaquil reports a strong, productive relationship with Maldonado. His ties with the business community and experience in the U.S. would enhance our relationship with the Ministry of Trade. Xavier Abad is also very much a known quantity to the Embassy and would also be a positive appointment. Given an expected limited tenure in office, however, we do not expect any major accomplishments from either man.

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